

Tax Gas For Roads, Legalize Marijuana And Give Chicago A Casino To Pay Pensions, Rahm Asks



blockclubchicago.org/2018/12/11/legalize-marijuana-and-give-chicago-a-casino-to-pay-rising-pension-bill-rahm-emanuel-will-propose



The outgoing mayor's proposal calls for earmarking all revenue from legalized marijuana and a casino for pension payments, sources said.

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CITY HALL — Mayor Rahm Emanuel will propose a number of sweeping proposals Wednesday including a city casino, legalized marijuana and an amendment to the state's constitution to stanch the flow of red ink from the city's pensions funds.

And on Tuesday, Emanuel, who will leave office in May, went where few politicians dare to go to and suggested Illinois lawmakers pass a capital bill funded by a 20- to 30-cent gas tax hike. That would be a "is a reasonable and widely-supported place to start" since the state motor fuel tax for gasoline has not been raised since 1990, and the last statewide capital bill was approved in 2009.

Flanked by members of the Metropolitan Mayors Caucus Tuesday, Emanuel cited the Chicago Metropolitan Agency for Planning, which pegs the region's transit needs at \$24 billion in added revenue through 2050 to maintain the current system, plus another \$32 billion "to improve the condition, enhance and expand the current system."

"In addition to critical funding to replace aging roads and bridges, sustained, flexible revenues need to flow directly to public transit," Emanuel said. "As the backbone of our larger transportation network and a stimulator of economic development, transit needs a dedicated, reliable revenue source so that we can continue to modernize and grow the system."

Legalize marijuana, build a casino

Emanuel will have turned over the office on the fifth floor of City Hall by the time the additional \$276 million bill comes due in 2020 for the city's police and fire pensions — and the additional \$310 million bill for the city's municipal and laborers pension funds arrives in 2022.

In all, the shortfall could top \$1 billion by 2023, according to the city's annual financial analysis.

In what could be Emanuel's last major policy address before the Chicago City Council, the mayor will attempt to not only burnish his legacy but also to lay out a road map for the next mayor and the next City Council. That includes pushing lawmakers to legalize marijuana and

create a Chicago casino.

"We can not allow the boulder we pushed up the hill to roll back down," Emanuel will say, as he attempts to frame the debate with a recipe of equal parts diagnosis and prescription.

The mayor often lists putting the city's four pension grounds on more solid ground among his top accomplishments.

But with a state law set to go into effect in 2020 that will tie payments to actuarial estimates, rather than fixed amounts, that ground has shifted, even after Emanuel pushed through the largest property tax increase in Chicago history along with dozens of other tax and fee hikes.

"These contributions must be made," Emanuel will say. "There are no ifs, ands or buts about it."

Emanuel will call for solutions based on "progressive principles," according to sources in the mayor's office. That includes earmarking all revenue from legalized marijuana and a casino for pension payments, sources said.

In addition, Emanuel will breathe new life into to his proposal to borrow as much as \$10 billion to pay down the city's pension debt. The mayor first floated that plan this summer, but then announced he would not run for a third term, scrambling those efforts.

The mayor will also call on the General Assembly to amend state's constitution to eliminate the provision that prohibits lawmakers from changing pension payments because those contracts "shall not be diminished or impaired."

Emanuel will take specific aim at the requirement that retirees in the labor fund get 3 percent annual compounded cost of living adjustments.

"The fact is, a 3 percent compounded COLA in an era of low inflation is not progressive and not sustainable," Emanuel will say. "It made sense in 1970 when we had more workers than retirees and high inflation, but it does not make sense today."

Once the City Council meeting begins in earnest, aldermen are set to approve a five-year housing plan that calls for Chicago officials to spend \$1.4 billion to build or preserve 40,000 homes.

However, that is essentially flat as compared with the previous five-year plan, and has been criticized as insufficient to tackle the city's growing affordable housing crisis as well as rising concerns about gentrification, displacement, the continuing decline in Chicago's African American population as well as rising inequality and instability.

Aldermen could also approve a new pilot program for Pilsen and Little Village under the city's Affordable Requirements Ordinance, even though it was approved by the Housing Committee in an apparent violation of the City Council's rules of procedure after Ald. Raymond Lopez'(15th) quorum call was ignored.

The proposal would increase the city's affordable housing requirement from 10 percent to 20 percent in a 7.2-mile area in Pilsen and Little Village. It has the support of Mayor Rahm Emanuel and retiring Alds. Ricardo Muñoz (22nd) and Danny Solis (25th).

Critics say it does not address those who have already been displaced by the forces of gentrification in Pilsen and surrounding neighborhoods.

After the quorum call, the committee also approved a measure to acquire four miles of abandoned railroad tracks from BNSF Railway to make way for the Paseo Trail from 16th Street in Pilsen to 31st Street in Little Village. Some residents there worry developers will flock to that trail as well and fuel further gentrification. Housing prices have soared near The 606 trail, pushing out some longtime residents.

Aldermen are also set to approve a number of items:

- O2018-4455 – The \$7 billion mixed-use project from Related Midwest dubbed The 78, which would create a new neighborhood along the Chicago River between the South Loop and Chinatown that could feature 10,000 units and create 24,000 jobs. [\[Related coverage\]](#)
- O2018-4966; O2018-4967 – A proposal for new West Loop towers from developer Tandem Partners featuring 401 apartments and 80 parking spaces, as allowed by the city's transit-oriented development ordinance. [\[Related coverage\]](#)
- O2018-3797 – A proposal to transform eight acres of long-vacant land in Douglas Park owned by the Chicago Housing Authority into a new complex with a hotel, 384 apartments, 547 parking spaces as well as shops and stores. [\[Related coverage\]](#)
- O2018-8394 – A proposal for a new Green Line stop at Lake and Damen in Ald. Walter Burnett's 27th Ward. [\[Related coverage\]](#)
- O2018-8400 – An agreement to acquire abandoned railroad tracks near the proposed Lincoln Yards development to allow The 606 trail to be extended and permit a light rail line to be built as part of the massive development along the North Branch of the Chicago River. [\[Related coverage\]](#)
- O2018-8076 – Changes to the city's Human Rights Ordinance and Fair Housing Ordinance designed to expand protections for individuals who complain about unlawful discrimination and harassment. [\[Related coverage\]](#)
- O2018-9196; O2018-9197 – Two high-dollar grants from the city's Neighborhood Opportunity Fund. One grant of \$720,000 would help build a 6,500 square building to house "18 fully equipped salon suites for independent beauty professionals" at 80 E. Pershing Road. The other project is a \$1 million grant to Kehrein Center for the Arts "to rehab and modernize a vacant auditorium into a 1,000 seat performing arts center." [\[Related coverage\]](#)
- O2018-9200; O2018-9198 – Two proposals to use Open Space Impact Fees to expand the Chicago Park District's West Ridge Nature Preserve and a new a multi-use artificial turf field and playground at LaSalle Language Academy, at 1734 N. Orleans St. [\[Related coverage\]](#)
- Five measures regarding the sale of packaged liquor. [\[Related coverage\]](#)

- Payments totaling \$11.7 million to settle police misconduct lawsuits. [[Related coverage](#)]
- O2018-9203 – A measure giving the Chicago Park District a green light to move its headquarters from Streeterville to Brighton Park with \$8.65 million in TIF fund. [[Related coverage](#)]
- A2018-119 – The appointment of former city Budget Director Alexandra Holt to the Regional Transit Authority Board of Directors. [[Related coverage](#)]
- A2018-117 – The appointment of Cory Thames, the deputy director for community engagement at the Obama Foundation, to Metra’s board of directors. [[Related coverage](#)]
A2018-135 – The re-appointment of Michael K. Forde, former Ald. Ray Suarez (31) and Henry Wisniewski to the Illinois International Port District board of directors. [[Related coverage](#)]